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## **In The Cattle Markets**

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### **Initial Hay and Pasture Data Don't Look Good**

The recently-released hay and pasture conditions report doesn't look particularly good for producers across most of the country. The bearish May WASDE report – higher production and larger ending stocks for 2018 – compounds the problem, but pasture conditions could very well improve as the season goes on.

May 1<sup>st</sup> hay stocks are down significantly across vast swathes of the country. Texas, Indiana, Missouri, and Louisiana are all down 60% or more relative to May 2017 and another 7 states across the West, Plains, and Midwest are down more than 40%. These reduced stocks are consistent with drought conditions that have persisted over the last few months. Other states across the Plains and Midwest have also seen declines.

However, some states have experienced significant increases. The deep South has recovered from drought conditions in the winter of 2016-2017 and stocks are up 15% in Alabama, 21% in Georgia, 44% in South Carolina, and a whopping 63% in Florida. The Northeast has also seen significant increases in hay stocks.

Turning to range and pasture conditions, things aren't much better. I want to stress that it's still early in the season, so things could certainly improve. At this time, however, the percentage of range and pasture rated "poor" or "very poor" is twice as high as it was at this time last year (20% vs 10%). Drilling down to the regional level, only the Southern region's conditions are consistent with last year (12.5% poor/very poor). The percentage poor or very poor across the rest of the country ranges between 15% and 30%, the highest of which is the West region. Conditions in the Corn Belt region are similar to the South.

With a bearish supply outlook, cow-calf producers will greatly benefit from improvements in range and pasture conditions, as well as hay supplies, as the season continues. The current situation isn't good, but some drought relief will certainly be helpful for producers across the Midwest, Plains, and Western regions.

## The Markets

<i>Data Source: USDA-AMS Market News</i>		<b>Week of 5/11/18</b>	<b>Week of 5/4/18</b>	<b>Week of 5/12/17</b>
<b>5-Area Fed Steer</b>	all grades, live weight, \$/cwt	\$121.65	\$124.81	\$137.28
	all grades, dressed weight, \$/cwt	\$191.99	\$193.65	\$220.33
<b>Boxed Beef</b>	Choice Price, 600-900 lb., \$/cwt	\$230.61	\$226.80	\$244.55
	Choice-Select Spread, \$/cwt	\$21.03	\$19.12	\$20.00
<b>700-800 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	--	\$156.32	\$157.45
	Nebraska 7-market, \$/cwt	\$152.43	\$152.57	\$155.85
	Oklahoma 8-market, \$/cwt	\$143.29	\$146.06	\$147.34
<b>500-600 lb. Feeder Steer</b>	Montana 3-market, \$/cwt	--	\$184.67	\$181.28
	Nebraska 7-market, \$/cwt	\$182.85	\$191.85	\$184.08
	Oklahoma 8-market, \$/cwt	\$170.57	\$169.15	\$171.31
<b>Feed Grains</b>	Corn, Omaha, NE, \$/bu (Thursday)	\$3.78	\$3.85	\$3.43
	DDGS, Nebraska, \$/ton	\$167.00	\$170.00	\$104.00